

corporation president for 17 years. We were one of the first farms in the state to incorporate. I have not received answers at this point as to how Internal Revenue will treat this stock say with a SubChapter S 10 stockholders or less, whether they are going to allow us really any advantages out of this thing. I didn't go over there and check this area. I did talk substantially with a legal counsel from the banking department. The bill does not and we haven't given it any adequate debate, does not make any limitation on the amount of voting stock; less than 1% the way it reads out could control the corporation, less than 1% of the stock. I think it's essential if we pass a bill we put in some limitations as to how small a percent of owned stock of voting stock can control it. We depend everything... we depend on everything on the banking department to regulate it and they have told me they don't regulate 10 stockholders or less. They don't regulate it. I might be willing to go along with this if we spelled out in detail and understood the issue on this floor. I've been accused of wanting to take away planning tools from farmers but we're coming in with a bill that just stomps in another thing. I have not been told that if the parents pass on 25% of the voting stock to one child, 25% to each of three other children or this 100% goes on, that one child has entire control for his life, his children's lives and everything else. If they give a dividend to the other kids, that's a question. I don't know how that 25% division feeds back then on inheritance tax. I couldn't get an answer to this question. Do the other 75% that get the nonvoting stock have to pay their share of the inheritance tax and get 0 in their inheritance? I have not got these questions answered. We are closing debate. I think it's ridiculous to pass a bill with substantial effects in this state without thorough debate of the issue, without any senator in here understanding it. The only group that I'm sure it's going to help out are the attorneys in the state. I feel we have a bill here that broadens it, creates all sorts of loopholes into the corporate system and who is going to benefit? Maybe the attorneys; I think they will for sure and maybe nobody else. It sets up a potential con game where you can privately sell if you assure the person they don't have to take part in the management and tell them that corporation has been making 10% on that stock. Most corporations continue it. You can sell it as a positive aspect, this nonvoting stock. I would like to know the details, the questions I've raised, how we can regulate that so if we go with nonvoting stock that it's... that we've got a solid law that won't create a lot of problems for a lot of people. I do hate to see agriculture further fragmented where the corporations are the only people and the better informed farmers are the only ones that can survive inheritance tax because they are the ones that should be coming out working for an increase in this inheritance tax. It fragments the farmers to do this. I think I understand this. I'm one of the people in a position to use this law right now as well as any farmer in this state but I don't like to put myself out with the Rockefellers in avoiding taxes and then watch and say, nobody cares about taking care of those people that are involved in a personal ownership system. Philosophically, I think it's wrong from that standpoint and as it is drafted without some tieups in it, I think it's a bomb. If the Legislature does not choose to kill this bill, I sincerely hope that it will discuss it and at least come out knowing what it passed. Thank you.